

SENATOR CARSTEN: Thank you. Senator Johnson, Vard, and then Senator Labedz. Senator Johnson, before you begin, would you permit me to introduce some guests of Senator Wesely, eight members of the Nebraska Audubon Society Council here. They are proclaiming Nebraska Audubon month for 1986. They are in the north balcony. We welcome you to the Unicameral. If you will stand, we will recognize you for your presence. Thank you. Senator Vard Johnson, on the Warner amendment, please.

SENATOR V. JOHNSON: Mr. Speaker, members of the Legislature, I suspect that these next three, or four, or five days will be real painful days because we obviously don't have a collective vision yet as to precisely how we should go with the budget and the tax issues. I think that Senator DeCamp is absolutely correct which is that you should take each tax bill as it comes and put it in the right kind of a shape, and then set that bill over on Final Reading, wait for the Governor's veto, and then make some collective decisions as to how we want to handle our taxes and how we want to handle the budget in the end. The Revenue committee, earlier this year, I think in February 20th or 21st, analyzed the question of the budget, and analyzed the question of an income tax rate increase, and also analyzed the question of a sales tax rate increase. The Revenue Committee concluded that the sales tax rate increase was not appropriate, that the income tax rate increase was appropriate, that the income tax rate increase would net us enough money to provide for a very parsimonious budget, that with an income tax rate increase we simply maintain the 20 percent system that was in place, and that the income tax was fairly progressive in nature, was not regressive as the sales tax increase would be, and, therefore, the Revenue Committee rejected a sales tax increase. And I, personally, am not going to support a sales tax increase, and my nonsupport for the sales tax increase will be consistent throughout. On the other hand, I certainly will vote for the amendment to LB 539 to increase the sales tax so that the bill at least is placed in the right condition for ultimate consideration by the body as to what the right direction...as to what the Legislature's direction will be when the budget finally shakes out.

SENATOR CARSTEN: Thank you, Senator Johnson. Senator Labedz, and then Senator Higgins. Senator Labedz, please.

SENATOR LABEDZ: I call the question.